

**BRETT OLIN**  
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Commissioner of Securities and Insurance (CSI)  
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Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,  
OFFICE OF THE MONTANA STATE AUDITOR**

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IN THE MATTER OF:	)	
	)	CASE NO. INS-2018-50
	)	
ACCORDIA LIFE AND ANNUITY	)	<b>CONSENT AGREEMENT AND</b>
COMPANY,	)	<b>FINAL ORDER</b>
	)	
Respondent.	)	
	)	
	)	

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This Consent Agreement (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Accordia Life and Annuity Company (Accordia), Respondent. The Final Order (Order) is issued by the authority of the Montana State Auditor, Commissioner of Securities and Insurance (Commissioner).

**RECITALS**

WHEREAS, the CSI received complaints from Respondent's policyholders that Respondent was not processing inquiries in a timely fashion unrelated to death claims;

WHEREAS, the complainants further alleged that Respondent was not sending notices in a timely fashion;

WHEREAS, a CSI investigation into the matter showed that Respondent, as a part of a system conversion, had failed to provide reports to its policyholders for an average period of 709 days;

WHEREAS, 528 policyholders were potentially affected by the conversion issues; and

WHEREAS, Admin. R. Mont. 6.6.714 requires companies to provide annual reports to customers.

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and RESPONDENT hereby agree to settle this matter pursuant to the following terms and conditions:

#### **STIPULATIONS AND CONSENTS**

I. Respondent stipulates and consents to the following:

A. The allegations in the Recitals above are true and correct.

B. Within ten business days from the effective date of this Agreement,

Respondent shall pay a fine of twenty-five thousand dollars (\$25,000.00). The payment shall be in the form of a check made payable to the State of Montana, and sent to:

Montana State Auditor  
c/o Brett Olin  
840 Helena Avenue  
Helena, MT 59601

C. Within sixty days from the effective date of this Agreement, Respondent shall have contacted by letter all affected Montana policyholders whose policies as of the date of such letter are restricted and informing them that their insurance policies have been unrestricted or informing them that their policies will become unrestricted within 60 days of the date of such letter.

D. Respondent shall provide “billing relief” to its Montana policyholders that become unrestricted in order for such policyholders to receive a minimum of 60 days to pay back premiums. Respondent may extend such period for up to two years by the policyholders with respect to the payment of any back premium owed without penalty or interest. Respondent may provide hardship relief to policyholders with respect to back premiums.

E. Respondent shall apply back premiums received as a result of this Agreement retroactively, providing historical fixed interest, dividends, and other benefits as if the policyholder had paid timely.

F. Respondent agrees that its escalation and support team shall be able to assist Montana policyholders.

G. Within one hundred and eighty days of this Agreement, Respondent shall submit to the CSI a final accounting of its Montana policyholders.

H. Respondent fully and forever releases and discharges the CSI, its employees, and its agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

I. Respondent specifically and affirmatively waives a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq., and elects to resolve this matter on the terms and conditions set forth herein.

J. Respondent acknowledges that this Agreement is signed by its authorized representative, who has read and understands each term of this Agreement.

K. Respondent acknowledges that its legal representation was satisfactory.

L. Respondent acknowledges that it enters into this Agreement voluntarily and without reservation.

II. All parties to this Agreement stipulate and consent as follows:

A. The CSI has jurisdiction over the subject matter of this Agreement.

B. This Agreement is entered without adjudication of any issue, law, or fact.

It is entered solely for the purpose of resolving the CSI's investigation and allegations set forth in the Recitals, and is not to be used for any other purpose.

C. The CSI warrants and represents that so long as Respondent complies with the terms of this Agreement, the CSI will not bring any further action against Respondent arising from facts known to the CSI as of the date of the Agreement relating to the Recitals.

D. This Agreement constitutes the entire agreement between the parties with respect to the Recitals, and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.

E. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing with the same formality as this Agreement to be effective.

F. This Agreement shall be incorporated into and made part of the attached Order issued by the Commissioner.

G. The Order will be an order of the Commissioner and is effective upon signing. The CSI has jurisdiction over the enforcement of the Order, and failure to comply with it may constitute a separate violation of the Code, pursuant to §§ 33-1-317 and 318, and may result in subsequent legal action by the CSI.

H. This Agreement shall be effective upon signing of the Order.

I. This Agreement and Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 9<sup>th</sup> day of November, 2018.

**OFFICE OF THE MONTANA STATE  
AUDITOR, COMMISSIONER OF  
SECURITIES AND INSURANCE**

By: [Signature]  
**BRETT OLIN**  
Attorney for the CSI

APPROVED AS TO FORM this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

By: \_\_\_\_\_  
Attorney for Respondents

DATED this 9<sup>th</sup> day of November, 2018.

**Accordia Life and Annuity Company**

By: [Signature]

Name: Maureen Henderson

Its: SVP & Assoc. General Counsel

**FINAL ORDER**

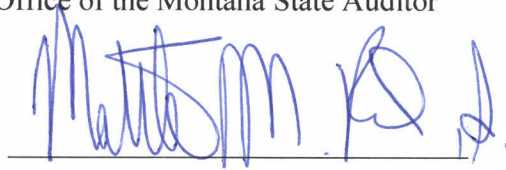
Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101 et seq.,  
and upon review of the foregoing Consent Agreement, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and  
Accordia Life and Annuity Company, is adopted as if set forth fully herein.

DATED this 13 day of November, 2018.

**MATT M. ROSENDALE**

Commissioner of Securities and Insurance,  
Office of the Montana State Auditor



cc: Benjamin C. Tiller